IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

APPEAL UNDER SECTION 109 No 2 of 1992

For Approval and Signature:

Hon'ble MR.JUSTICE K.M.MEHTA

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1. Whether Reporters of Local Papers may be allowed to see the judgements? : YES

2. To be referred to the Reporter or not? : YES

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

DHARAMSI MORARJI CHEM.CO.LTD.

Versus

T.J.FERTILIZERS

Appearance:

MR RR SHAH for Petitioner

MR JR NANAVATI for Respondent No. 1

NOTICE SERVED for Respondent No. 2

CORAM : MR.JUSTICE K.M.MEHTA

Date of decision: 08/09/2000

C.A.V. JUDGEMENT

1. The Dharamsi Morarji Chemicals Co.Ltd-petitioners herein have filed this appeal under section 109 of Trade marks & Merchandise Marks Act, 1958 (hereinafter referred to as "the Act") against the order, dated 12.9.1991

passed by the Assistant Registrar of Trade Marks. The Assistant Registrar of Trade Marks (Respondent No.2 herein) by his aforesaid order treated the petitioner's notice of opposition as amended under Rule 53(1) of Trade & Merchandise Marks Rules, 1959 (hereinafter referred to as "Rules") which Notice of Opposition was initiated against the registration of Application No.426202 in Cl.I of the respondent No.1. The petitioner has also challenged the order, dated 12.2.92 passed in review petition by the Assistant Registrar of Trade Marks wherein the Assistant Registrar of Trade Marks was pleased to reject the review petition, dated 4.10.1991 filed by the petitioner wherein the petitioner tried to review the earlier order of the Registrar of Trade Marks, dated 12.9.91.

FACTS:

2. The petitioners(original opponents) are a public limited company having its Registered Office at Bombay. The petitioners carry on business of manufacturing and marketing of chemical products used in industry, agriculture, horticulture and forestry since 1922 and manures (natural and artificial) since 1945 under its brand name "SHIP BRAND" (in English) JAHAJ CHAP (Devnagari script) and VAHAN CHHAP(in Gujarati script). The said trade marks are registered interalia under Nos (i) 224495 as of 22.9.64, (ii) 227547 as of 4.3.1965 and (iii) 227548 as of 4.3.65 and (iv) 227546 as of 4.3.65, all in Class I (for chemical products used in industry falling under Schedule IV) of the Act.

3. The respondent No.1 are a partnership firm under the name and style of T.J.Fertilisers. The respondent No.1 filed application being Application No.426202 to register their trade mark label of NAUKA BRAND for the goods "N.P.K.Fertilisers" in Cl.I user claimed since 21.4.1983. The Registrar of Trade Marks accepted the said application of the respondent No.1 herein and same came to be advertised in Trade Marks Journal No.987 at page 475 on 16.6.1990. The opponent sent Notice of Opposition on 6.9.90 as per TM 5 Form with prescribed fee signed by Mr.D.G.Mehta, Secretary of the opponent company to the Registrar of Trade Marks, Bombay. Since the file was transferred from Bombay to Ahmedabad the Notice of Opposition on TM 5 was taken on record by the Assistant Registrar of Trade Marks at Ahmedabad under Opposition No.AMD 125 on or about 6.3.1991. The applicants filed their counter statement on TM 6 on 6.5.91. The Assistant Registrar, Trade Marks sent the copy of TM 6 to Shri S.B.Shah, Advocate for opponent with direction to file

evidence under Rule 53 on 7.5.91. The opponent filed request on TM 56 for extension of time of two months on 12.7.1991. The Registrar of Trade Marks by his order, dated 7.9.91 granted time to file evidence under Rule 53.

4. The opponent through their advocate-Mr.R.R.Shah applied on TM 56 on 17.9.91 for extension of time for two months. However, before the said application can be considered the Assistant Registrar of Trade Marks passed order, dated 12.9.1991 under Rule 53(2) of Rules on 12.9.1991 and thereby treated the Opposition filed by the opponent as abandoned and this order has been challenged in the present appeal before this court on the ground that the Registrar has no power and jurisdiction to pass said order under Rule 53(2).

5. Before I consider the rival contentions, few facts may require to be noted. The opponent filed review proceedings on or about 3.10.1991 for reviewing the order of the Registrar dated 12.1.1991. Said review proceedings filed on behalf of the the opponent by its advocate. The Assistant Registrar, Trade Marks by his order dated 12.2.1992 was pleased to reject the review petition. This subsequent order has also been challenged by the petitioner-original opponent in the present appeal by amending the memo of appeal.

6. Mr.R.R.Shah, Ld.advocate for the petitioner-original opponent has submitted the following submissions:

(i) It is submitted that the provisions of Rule 53(2) is merely directive and is not mandatory and therefore the action of the respondent No.2 treating the opposition proceedings as abandoned is unwarranted, bad in law and not maintainable at law.

(ii) It is submitted that the opposition proceedings ought to have been decided on merits by allowing the petitioners to adduce the evidences in support of opposition in the interest of justice, equity and good conscience and public interest to protect the purity of the Register.

(iii) It is submitted that the applicant's interest was not likely to be prejudiced if the opposition was not treated as abandoned and extension of time was granted as prayed for by the petitioners.

(iv) It was further submitted that in any case that the respondent No.2 had reviewed the impugned order dated

12.9.1991 in view of review application made on 3.10.1991 and therefore to that extent the order of the Registrar, Trade Marks, dated 12/2/1992 is also illegal and bad in law as the Registrar has not properly considered the review application.

7. As against the aforesaid submissions, Mr.Jesani, Ld.advocate for original applicants submitted that the order dated 12.9.91 and further order, dated 12.2.92 wherein he has refused to review the order are perfectly legal and valid and in accordance with the provisions of the Act and Rules. He has further stated the court has also considered the factual aspect while considering the appeal of the petitioner-original opponent. He has further stated that the opponent had filed Civil Suit No.1/85 in the court of Ld.Asstt.Judge at Porbandar and the learned Assistant Judge by his judgment and order, dated 9.9.1991 was pleased to dismiss the said civil suit filed by the opponent. He has further stated that on 1.10.1995 the applicant had filed application No.536372 in Class 1 as on 4.9.90 to register the Trade Mark Nauka Brand came to be advertised in the Trade Marks Journal No.1112 came to be advertised on 1.10.1995. He has stated that neither the opponent nor anyother person opposed the Application No.536372 of the applicants, the Registrar of Trade marks issued Registration certificate of the trade mark Nauka Brand. The Registered Trade Mark No.536372 of Nauka Brand renewed for further seven years from 4.9.97 on 4.5.99.

8. I have heard learned advocates appearing for petitioner-opponent and the respondent. Before discussing rival contentions of the parties, it will be necessary to refer to relevant statutory provisions.

STATUTORY BACKGROUND:

The Trade And Merchandise Marks Act, 1958 (hereinafter referred to as "the Act") has been enacted to provide for the registration and better protection of trade marks and for the prevention of the use of fraudulent marks on merchandise.

Section 2(1)(d) provides definition of "Deceptively similar" means a mark shall be deemed to be deceptively similar to another mark, if it so nearly resembles that other mark as to be likely to deceive or cause confusion.

Section 2(1)(j) provides definition of "mark" means 'mark' includes a device, brand, heading, label,

ticket, name, signature, word, letter or numeral or any combination thereof".

Section 2(1)(p) defines "registered" means "registered under this Act".

Sectin 2(1)(r) defines "registered the traade mark" means "a trade mark which is actually on the register".

Section 2(1) (v) defines "trade mark" means--

(i) in relation to chapter X (other than s.81) a registered trade mark or a mark used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some persons having the right as proprietor to use the mark; and

(ii) in relation to other provisions of this Act, a mark used or proposed to be used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and somer person having the right, either as proprietor or as registered user, to use the mark whether with our without any indication of the identity of that person, and includes a certification trade mark registered as such under the provisions of Chapter VIII.

Chapter II provides for Register and Conditions for Registration.

Chapter III provides for Procedure for and duration of Registration

Section 9 provides for requisites for registration in Parts A & B of the register.

Section 11 provides for prohibition of registration of certain marks and reads as under:

A mark--
(a) The use of which would be likely to deceive or cause confusion, or

(b) The use of which would be contrary to any law for the time being in force, or

(c) Which comprises or contains scandalous or obscene matter, or

(d) Which comprises or contains any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India, or

which would otherwise be disentitled to protection in a court shall not be registered as a trade mark.

Section 12 provides for prohibition of registration of identical or deceptively similar trade marks and reads as under:

(1) Save as provided in Sub.sec(3), no trade mark shall be registered in respect of any goods or description of goods which is identical with or deceptively similar to a trade mark which is already registered in the name of a different proprietor in respect of the same goods or description of goods.

(2) Where separate applications are made by different persons to be registered as proprietors respectively of trade marks which are identical or nearly resemble each other in respect of the same goods or description of goods, the registrar may defer the acceptance of the application or applications bearing a later date until after the determination of the proceedings in respect of the earlier application, and may dispose of such application or applications in the light of the evidence tendered in relation to earlier application and the oppositions thereto, if any.

(3) In case of honest concurrent use or of other special circumstances which, in the opinion of the Registrar, make it proper so to do, he may permit the registration by more than one proprietor of trade marks which are identical or nearly resemble each other (whether any such trade mark is already registered or not) in respect of the same goods ordescription of goods, subject to such conditions and limitations, if any as the Registrar may think fit to impose.

Chapter III provides for procedure for duration of registration. Section 18 provides for application for registration. This section provides as to how application for registration to be made. Once Registrar accepts the application for registration, the application is required to be advertised under section 20 in Trade Mark journal. Once such application is advertised there may be opposition for registration of trade mark in fvour of applicants and therefore section 21 makes provision

for lodging such opposition and as to how such opposition is to be dealt with.

Section 21 reads as under:

"Section 21. Opposition to registration:

(1) Any person may within three months from the date of the advertisement or re-advertisement of an application for registration or within such further period not exceeding one month in the aggregate, as the Registrar, on application made to him in the prescribed manner and on payment of the prescribed fee, allows, give notice in writing in the prescribed manner to the Registrar of opposition to the registration.

(2) The registrar shall serve a copy of the notice on the application for registration and within two months from the receipt by the applicant of such copy of the notice of opposition, the applicant shall send to the Registrar in the prescribed manner a counter statement of the grounds on which he relies for his application and if he does not do so, he shall be deemed to have abandoned his application.

(3) If the applicant sends such counter statement the Registrar shall serve a copy thereof on the person giving notice of opposition.

(4) Any evidence upon which the opponent and the applicant may rely shall be submitted in the prescribed manner and within prescribed time to the Registrar, and the Registrar shall give an opportunity to them to be heard if they so desire.

(5) The Registrar shall, after hearing the parties, if so required, and considering the evidence decide whether and subject to what conditions or limitations, if any, the registration is to be permitted, and may take into account a ground of objection whether relied upon by the opponent or not.

(6) Where a person giving notice of opposition or an applicant sending a counter statement after receipt of a copy of such notice

neither resides nor carries on business in India, the Registrar may require him to give security for the costs of proceedings before him and in default of such security being duly given, may treat the opposition or application, as the case may be, as abandoned.

Section 97 confers the all powers upon the Registrar of civil court for the purpose of receiving evidence, administering oath, enforcing the attendance of witnesses, compelling the discovery and production of documents and issuing commissions for the examination of witnesses and also to award costs. Section 97 also confers powers on the Registrar to review his decision.

Section 101 deals with extension of time which reads as follows:

"Section 101. Extension of time.

(1) If the Registrar is satisfied on application made to him in the prescribed manner and accompanied by the prescribed fee, that there is sufficient cause for extending the time for doing any act (not being a time expressly provided in the Act) whether the time so specified has expired or not, he may, subject to such conditions as he may think fit to impose extend the time and notify the parties accordingly.

(2) Nothing in subsection (1) shall be deemed to require the Registrar to hear the parties before disposing of an application for extension of time, and no appeal shall lie from any order of the Registrar under this section.

Section 109 provides for appeal against the decision of the Registrar under sections 17 or 18 or 21 of the Act.

Section 133 contains powers of Central Government to make rules to carry out purposes of this Act.

In exercise of powers conferred by Section 133 of the Trade & Merchandise Marks Act,

1958 read with Section 22 of the General Clauses Act, 1897 the Central Government made the rules known as Trade & Merchandise Marks Rules, 1959

Rule 51 provides for Notice of Opposition

Rule 52 provides for counter statement

Rule 53 provides for evidence in support of opposition.

Rule 53 reads as under:

"53. Evidence in support of Opposition:

(1) Within two months from the service on him of a copy of the counterstatement by the Registrar the opponent shall either leave with the Registrar such evidence by way of affidavit as he may desire to adduce in support of his opposition but intends to rely on the facts stated in the notice of opposition. He shal deliver to the applicant copies of any evidence that he leaves with the Registrar under this sub-rule.

(2) If an opponent takes no action under subrule (1) within the time therein prescribed, he shall, unless the Registrar otherwise directs be deemed to have abandoned his opposition".

Rule 54 provides for Evidence in support of application.

Rule 55 provides for evidence in reply by opponent.

Rule 56 provides for further evidence.

Rule 57 provides for Exhibits.

Rule 58 provides for translation of documents.

Rules 59 provides for hearing and decision and reads as under:

"(1) Upon completion of the evidence (if

any) the Registrar shall give notice to the parties of a date when he will hear the arguments in the case. Such appointment shall be for a date atleast one month after the date of the notice, unless the parties consent to a shorter notice. Within fourteen months from the receipt of the notice any party who intends to appear shall so notify the Registrar on Form TM-7. Any party who does not so notify the Registrar within the time last aforesaid may be treated as not desiring to be heard and the Registrar may act accordingly.

(2) The decision of the Registrar shall be notified to the parties in writing."

Rule 60 provides for security for costs.

Rule 106 provides for extension of time.

8.1 In my view, in view of section 101 of the Act which provides for extension of time, under Rule 106 this application for extension of time must be made on Form TM 56. The Registrar, if satisfied that the circmstances are as to justify the extension of the time applied for, may, subject to the provisions of the Rules where a maximum time limit is prescribed and subject to such conditions as may be think fit to impose, extend the time and notify the parties accordingly and the extension may be granted though the time for the doing the Act or taking the proceedings for which it is applied for has already extended.

9. Mr.R.R.Shah, Ld.Advocate appearing for petitioner has relied on the judgment of this court (Coram: M.S.Shah,J) in the case of Torrent Pharmaceuticals Ltd vs Union of India reported in 1998(3) GLR 2090 where this court has considered the provisions of Trade & Merchandise Marks Act, 1958, especially Sections 21, 101 and Rules 53, 54, 55 and 106 where after considering the scope of the Act the court held that Rule 53(2) is directory. The learned judge was also confronted with the view of the Delhi High Court in the matter of Hindustan Embroidery Mills Pvt.ltd vs Hemla Embroidery Mills Pvt.Ltd reported in 1978(3) IPLR 148 wherein the Delhi High Court held that the rule to be mandatory. The learned judge also relied on the judgment of the Bombay

High Court in the matter of Kantilal Tulsidas Jobanputra vs Registrar of Trade Marks reported in 1982 PTC 127 where the Bombay High Court has held that by operation of Rule 53 the opposition deemed to have been abandoned unless the Registrar otherwise directs and that clearly indicates that the legislature never intended to lay down a rigid rule ignoring the genuine circumstances which may require extension of time for filing of evidence beyond the period of two months. The learned judge has preferred the view of the Bombay High Court and disagreed with the view taken by the Delhi High Court. However, Mr.Jesani, Learned advocate appearing for other side, at this stage, pointed out that appeal has been filed against the aforesaid judgment of the learned single Judge of this court in the matter of Torrent Pharmaceuticals Ltd vs Union of India reported in 1998(3) GLR 2086 wherein the Division bench of this court in paras 6 & 7 of the judgment held as under:

"6. Mr.Daruwala for Mr.Banaji for respondent No.3 on the other hand supported the order passed by the learned single judge. He submitted that the learned single judge has not committed any error of law in interpreting the provisions of Rule 53 of the Rules and holding them to be directory. He, however, submitted that in the facts and circumstances of the case, even if it is held that the provisions of Rule 53 are mandatory, then also the action taken and the order passed by the respondent No.2 could not be said to be illegal or contrary to law since the application for extension was made in accordance with Rules by respondent No.3 within stipulated period of two months as contemplated by Rule 53. For that, he invited our attention to certain facts which were not controverted by the appellant. It was stated that the application of the appellant for registration of Trade Mark was advertised in the Trade journal on Ist January, 1995. On 6th April 1995 respondent No.3 objected vide its notice of opposition to said registration. On 10th October, 1995 the appellant filed counter statement copy of which was required to be supplied to the respondent No.3. It was sent to respondent No.3 by the Assistant Registrar On November 13, 1995. But it was actually served upon the respondent No.3 on November 22, 1995. It was the case of the respondent No.3 that though the Assistant Registrar sent the counter statement along with a

letter dated 13.11.1995 it was sent by registered post on the next day, i.e. on November 14, 1995 which was received by the respondent No.3 on November 22, 1995. Thus, two months would expire on 22nd January 1996. Before the said period, however, respondent No.2 made an application for extension of period on 10.1.1996 which was received by respondent No.2 on 15.1.1996. An order was passed by the respondent No.2 granting extension of period on 18.1.1996.Thus, considering the relevant date of receipt of counter statement by the respondent No.3 on November 22, 1995 necessary action was taken by him within a period of two months by making an application on 10.1.1996 to respondent No.2 for extension which was received by respondent No.2 on 15.1.1996 and an order was also passed on 18.1.1996. Thus, in the facts and circumstances, the case did not fall under sub-rule (2) of Rule 53. He also stated that the learned single judge has recorded a clear finding to that effect in para 10 of the judgment. Para 10 reads under:

"Coming to the facts of the instant case the contention of Mr.Shah that the respondent No.3 must be deemed to have abandoned his opposition on account of the nonfiling of the application for extension by 13.1.1996 is clearly misconceived in facts because of the two months' time stipulated by Rule 53(1) for adducing evidence of the opponents is to begin from the date of service on the opponent (respondent No.3 herein) of a copy of the coutner statement filed by the petitioner and this service is to be effected through the Registrar. Hence, merely because the Registrar had sent a copy of the petitioner's counterstatement to respondent No.3 along with Registrar's letter dated 13.11.1995 it did not mean that the period of two months referred to in Rule 53(1) commenced from 13.1.1996. It commenced from the date on which respondent No.3 received a copy of the petitioner's counterstatement . The averment made on behalf of respondent No.3that the said counterstatement and Registrar's letter dated 13.11.1995 were received by the respondent No.3 on 22.11.1995 is not controverted and therefore the first contention of Mr.Shah has to be rejected as even on facts respondent No.3 had filed its first application for extension of time to adduce evidence within the prescribed period

of two months from the date of service of the counterstatement".

In view of the above facts and circumstances and a finding recorded by the learned single judge, in our opinion, the case of the respondent No.3 did not fall within the mischief of Rule 53(2) of the Rules. When a copy of counterstatement was received by respondent No.3 on November 22, 1995 and an application for extension was made by him on 10th January, 1996 and an order was passed by the respndent No.2 on January 18, 1996 the statutory period of two months was not over. It was, therefore, open to the respondent No.2 to extend the time which was done by him and no objection could be taken against such order. In our opinion, therefore, the order passed by respondent No.3 did not suffer from any infirmity and the learned single judge has not committed error in not interferring with the said order."

However in para 8 of the judgment the Division bench has observed as under:

"For the foregoing reasons, we do not see any substance in this Letters Patent Appeal and the Letters Patent Appeal deserves to be dismissed and is accordingly dismissed. We, may, however, clarify that we may not be understood to have conrirmed the interpretation of Rule 53 of the Rules and the observations made by the learned single judge on such interpretation. We may also add that since it was not necessary in the instant case to opine on interpretation of Rule 53 all observations made by the learned single judge will not be treated as final and as and when such question would arise an appropriate court would decide the said question in accordance with law without being inhibited by an order passed and observations made by the learned single judge".

10. In view of the same the learned counsel for the respondent stated that this court should not rely upon the judgment of the learned single judge (M.S.Shah,J).

11. Mr.R.R.Shah, learned counsel also has relied on the judgment of this court in the case of Cadila

Healthcare Ltd vs Union of India reported in 2000 PTC 33 and also in (2000) 2 GLR 1239 (1255) wherein this court after considering the provisions of the Act and Rules the learned single Judge (Coram: M.R.Calla,J) in para 15 has observed as under:

"Now in the light of the aforesaid decisions I find that no particular provision in this regard can be considered in isolation. In such matters, the cumulative effect of the relevant provisions under the Act and Rules made thereunder so as to give effect to the provisions of the Act has to be examined and it is settled that there can not be any provision under the Rules which can be inconsistent with the provisions of the Act. Section 101 of the Act as has been quoted herein above specifically provides that if the Registrar is satisfied on an application made to him in the prescribed manner and accompanied by the prescribed fees that there is sufficient cause for extending the time for doing any act (not being a time expressly provided under the Act) whether the time specified has expired or not he may subject to such condition as he thinks fit to impose extend the time and notify the parties accordingly. Here the exclusion is made only with regard to the time expressly provided in the Act. Therefore, it is clear that if a time is expressly provided under any provisions of the Act, the same can not be extended but any such exclusion with regard to the time prescribed or provided under the Rules. If that be so, section 101 is taken to mean that in case the Registrar is satisfied, he can extend the time for doing any act, so far as the scope of Rules is concerned even if the time prescribed under the Rule has expired subject to his satisfaction, he may extend the time. Rule 53 no doubt provides the period of two months but that is a period provided under the Rules and according to Rule 106 the embargo is only against the time provided under the Act and not under Rules, meaning thereby that if the Registrar is satisfied in a given case, he may extend the time even if the extension of time was not subject before the expiry of two months period and the same is sought after the expiry of the period of two months.

12. Mr.Jasani stated that against the judgment of the learned Judge-Mr.Calla,J in the case of Cadila Health Care ltd vs Union of India reported in 2000 PTC 33 appeal being LPA No.1679/99 with CA No.14367/99 was preferred wherein in the Civil Application this court (Coram: C.K.Thakkar & P.B.Majmudar,JJ) passed the following order:

"That pending hearing and final disposal of the Letters Patent Appeal the impugned order, dated 8/9.9.99 passed in Special Civil Application No.8361/97 be stayed and the respondents be directed not to proceed further in Opposition Proceedings No.AMD-1042 pending on the file of respondent No.2."

13. Mr.R.R.Shah has also referred to the decision of the Delhi High Court in the matter of Hastimal Jain Trading as Oswal Industries vs Registrar of Trade Marks reported in 2000 PTC 24(FB) wherein before the Delhi High Court three questions were referred to the Full Bench of the Delhi High Court which are as follows:

"(a) Whether Rule 53(2) of the Trade and Merchandise Marks Rules, 1959 is directory or mandatory?

(b) Whether the Registrar's power to extend the time for filing evidence in support of the opposition stands extinguished if an application for extension of time is not filed or extension is not granted before the expiry of the period of two months prescribed under Rule 53(1) of the Trade and Merchandise Marks Rules, 1959?

(c) What is the effect of Rule 106 of the said Rules on the exercise of powers by the Registrar under Rule 52(2)?"

14. The Full Bench after referring to the provisions of the Act and Rules in para 19 and 20 of the judgment has answered the questions as under:

"We have considered the rival submissions and read the various judgments.The determination of the questions raised would depend on whether Rule 53(2) can be said to be mandatory or merely

directory. Mere use of the word "shall" is not sufficient to treat the rule as mandatory. Even though the word "shall" primafacie indicates that it is mandtory, still the court must ascertain the real intention of the legislature by looking to the schedule as a whole. It must also be remembered that a legal fiction can not be stretched beyond the purpose for which it was enacted. As seen above, the legal fiction is not absolute.It is limited by the words "unless the registrar otherwise directs". In our view it is significant that whatever the legislature intended to prescribe a fixed time which could not be extended it has specifically so done. The necessary implication of this is that in all other cases the time was not to be fixed but one which would be within the power of the Registrar to extend. Undoubtedly the intention of the Legislature was to minimise delays. For that fixed time is laid down in the Statute itself. However, a reading of section 21 itself shows that for procedural matters like filing evidence the legislature was not laying down a fixed time in the Statute. This view is supported by reading of Section 101 and Rule 106. Section 101 indicates that the only circumstance under which time can not be extended by the Registrar is where a time has been expressly provided in the Act. Similarly, under Rules 106 the time can be extended by the Registrar in all cases except for the four which have been mentioned in paragraph 14 above. It is all the more significant that Rule 53(2) and 54 have not been included in Rule 106. To interpret it otherwise would be to add in Rule 106 the words "or Rule 53". The legislature has purposely omitted to do so. It is not possible to accept submission that Rule 53 gets incorporated in section 21. If the legislature wanted to provide a fixed term of two months in section 21(4) as they have done in section 21(1) and (2) they would have done so. This interpretation is also borne out by the fact that the deeming provision in Rule 53(2) comes into play only if the Registrar does not otherwise directs. The fact that the legal fiction is subject to the direction of the Registraralso shows that it is not absolute but is being controlled by discretion of the Registrar. In our view section 101 and Rule 106 permit the Registrar to extend time even though the time has expired. To hold otherwise would be

to negate the words to that effect used both in section 101 as well as Rule 106. We are, thus, in agreement with the view expressed by the Bombay High Court and the Gujarat High Court. We disagree with the view expressed in the case reported in 1978(3) PLR 148 and in the order dated 30.1.1995 in CM(M) 59/95.

20. In this view of the matter we answer the questions accordingly.

(a) Rule 53(2) of the Trade & Merchandise Marks Rules, 1959 is merely directory and not mandatory.

(b)&(c) The Regsistrar has power to extend time for filing evidence even though the period mentioned in Rule 53 or the extended period thereof has expired and even though an application for extension of time is made beyond that period."

15. Mr.R.R.Shah has also relied upon the judgment of the Bombay High Court in the case of Kantilal Tulsidas Jobanputra vs Registrar of Trade marks and Lion Pencils wherein on page No.100 & 101 interpreting section 53(2) the Bombay High court has observed as under:

"Taking into consideration the real intention of the legislature and applying the test laid down by the Supreme Court in my judgment, Rule 53(2) is clearly directory and violation of it can not be condemned as fatal in every case. The Registrar is clearly in error in holding that the power to extend the time for filing application for extension is not filed or extension is not granted before expiry of the period. A plain reading of Rule 53(2) and section 101of the Act is sufficient grounds and it is equally permissible for Registrar to extend the time on being satisfied of such grounds and such application and order can be made even after the expiry of the prescribed period.It is not possible to read any limitation in the Rule as suggested on behalf of the Registrar.

In the circumstances, both the appeals are allowed and the order passed by the Registrar on

March 28, 1977 and July 7, 1977 are set aside and it is directed that the registrar should permit the petitioner to file his evidence in support of the opposition within a period of one month from today. The registrar should thereafter proceed with the enquiry in respect of the registration of the trade mark of respondent No.2.It is hardly required to be stated that the mark of respondent No.2 which has gone on the register should be removed and the enquiry should be held afresh to determine whether such mark should be registered or not."

16. The learned counsel for petitioner has relied on the decision of the Madras High Court in the case of M/s Progro Pharmaceuticals (P) Ltd, Madras vs Dy.Registrar of Trade Marks, Madras reported in AIR 1986 Madras 282. In the said case the trade mark was advertised on 16.10.1984. The respondent claims to be the adoptee of the trade mark and filed opposition under section 21 of the Act. The Registrar of the Trade Marks forwarded the copy of the said opposition to the counsel for the petitioner on 20.2.1985. In his diary instead of noting the last date for sending the counter statement as 20.4.1985, by oversight he noted it as 20.5.1985. It is thereafter realising his mistake he wrote a letter on 17.5.85 forwarding the counterstatement with a letter explaining the reason for excusing the delay of one month. However, the second respondent by communication dated 20.5.85 informed the petitioner that the first respondent had directed him to state that the counterstatement having been filed beyond time it has been rejected because section 21(2) is mandatory and does not allow any discretion to be vested in him to condone the delay under any circumstances. Under the above circumstances appeal was filed before the Madras High Court. The Madras High Court in paras 3 & 4 of its judgment held as under:

"3. When no outer limit is prescribed under section 21(2) it necessarily enables the Registrar to extend time, as found in section 101(1). Once a sufficient cause is shown for extending time for doing any act, in such of those instances, where no time is expressly provided in the Act, then subject to such conditions as he may think fit, he can extend the time. The expression 'not being a time expressly provided in the Act' is referrable to the outer

time limit provided under the Act. If no such outer time for compliance with the provisions of the Act is stipulated then section 101(1) has to be read along with that section. Hence, on this point alone, the writ petition succeeds.

18. The aforesaid decision also supports the case of the petitioner.

19. Mr.Jasani also has relied upon the judgment of the Bombay High Court in the case of Hindustan Plying Cards Mfg.Co. vs Sharda Paper Box Mfg.Co reported in 1996 PTC (16) and also relied on the judgment of this court in Appeal No.5/92 in the matter of M/s M.R.F.Ltd vs M/s Radiant Bearings Pvt.Ltd & Anr decided on 18.6.98 (Coram: R.Balia,J).

20. Mr.Jesani submitted that in view of the judgment of the Bombay High Court reported in the case of Hindustan Plying Cards Mfg.Co (supra) and the judgment of this court (Coram:R.Balia,J) the order of the Division Bench of this court the order of the learned single judge does not hold good.

21. Shri R.R.Shah, learned counsel submitted that Rule 53(2) prescribes that if the opponent takes no action within time therein prescribed, then the opposition shall be deemed to have been abandoned unless the Registrar directs otherwise. The question for determination is whether the provisions of Rules are mandatory or directory. The rule uses the word "shall'. However, the use of word "shall" raises presumption that particular provision is imperative, but this primafacie as such may be reflected by other considerations as well as object and scope of enactment and consequences flowing from such construction. The word "shall" is ordinarily mandatory, but sometimes not so interpreted when the context otherwise demands. The court may ascertain the real intention of the legislature by carefully attending to whole scope of the statute. Reference is made to the decision of the Supreme Court in the case of State of Uttar Pradesh vs Baburam Upadhyay reported in AIR 1961 SC 751 wherein in para 29 the Honourable Court observed as under:

"The relevant rules of interpretation may be briefly stated thus: When a statute uses the word 'shall', primafacie, it is mandatory, but

the Court may ascertain the real intention of the legislature by carefully attending to the whole scope of the statute. For ascertaining the real intention of the Legislature, the Court may consider, interalia, the nature and design of the statute, and the consequences which would follow from considering it the one way or the other, the impact of other provisions whereby the necessity of complying with the provisions in question is avoided, the circumstances,namely, that the statute provides for a contingency of the noncompliance with the provisions is or is not visited by some penalty, the serious or trivial consequences that flow therefrom, and, above all, whether the object of the legislation will be defeated or furthered".

21.1 The reliance is placed on the decision of the Supreme Court in the case of Govindlal Chhaganlal Patel vs The Agriculture Produce Market Committee & Ors and The State of Punjab and another vs Shamlal Murari and another reported in AIR 1976 SC 263 and 1177 respectively wherein the Honourable Court observed as under:

Govindlal Chhaganlal Patel Govindlal Chhaganlal Patel vs The Agriculture Produce Market Committee & Ors (page 263 para 13)

"Crawford on 'Statutory Constitution'(Edn.1940 Art.261, p.516) sets out the following passage from an American case approvingly:"The question as to whether a statute is mandatory or directory depends upon the intent of the legislature and not upon the language in which the intent is clothed. The meaning and intention of the legislature must govern, and these are to be ascertained, not only from the phraseology of the provision, but also by considering its nature, its design, and the consequences which would follow from construing it the one way or the other'. Thus, the governing factor, is the meaning and intent of the legislature, which should be gathered not merely from the words used by the legislature but from a variety of other circumstances and considerations. In other words, the use of the word 'shall' or 'may'is not conclusive on the question whether the particular requirement of law is mandatory or directory. But the circumstance that the legislature has

used a language of compulsive force is always of great relevance and in the absence of anything contrary in the context indicating that a permissive interpretation is permissible, the statute ought to be construed as peremptory".

State of Punjab and another vs Shamlal Murari and another(Page 1177 para7):

"The use of 'shall'--a word of slippery semantics--in a rule is not decisive and the context of the statute, the purpose of the prescription, the public injury in the event of neglect of the rule and the conspectus of circumstances bearing on the importance of the condition, have all to be considered before condemning a violation as fatal".

21.2 Reliance is placed on the decision of the Supreme Court in the case of Shri Mohansingh & Ors vs International Airport Authority of India & Ors reported in 1996(8) Scale 251 wherein on page 260 in para 26 the Honourable Court observed as under:

"The word 'shall' though primafacie gives impression of being mandatory character, it requires to be considered in the light of the intention of the legislature by carefully attending to the scope of the statute, its nature and design and the consequences that would flow from the construction thereof one way or the other. In that behalf, the Court is required to keep in view the impact on the profession, necessity of its compliance, whetherthe statute, if it is avoided, provicdes for any contingency for noncompliance, if the word 'shall'is construed as having mandatory character, the mischief that would ensue by such construction, whether the public convenience would be subserved or the public inconvenience or the general inconvenience that may ensue if it is held mandatory and all other relevant circumstances are required to be taken into consideration in construing whether the provision would be mandatory or directory. If an object of the enactment is defeated by holding the same directory, it should be construed as mandatory whereas if by holding it mandatory serious

general inconvenience will be created to innocent persons of general public without much furthering the object of enactment, the same should be construed as directory but all the same it would not mean that the language used would be ignored altogether. Effect must be given to all the provisions harmoniously to suppress public mischief and to promote public justice".

22. I have gone through the provisions of the Act and Full Bench decision of the Delhi High Court and judgement of the Bombay High Court as well as the Madras High Court. In my view therefore provisions of Rule 53 (2) of Rule is merely directory and not mandatory. I have considered the word "shall" in context of Section 21, 101 and also the rules 54, 55, 56 and 59 of Rule 106 and on conjoint reading of this Act and Rules, the word "shall" in Rule 53 is merely a directory and not mandatory and on that proposition I rely upon the aforesaid judgments.

23. In my view therefore I allow this appeal filed by the appellant and quash and set aside the order of the Assistant Registrar Trade Mark dated 12.9.1992 wherein he has stated that opposition filed by original opponent be treated as abandoned and also I quash and set aside the order. I also quashed and set aside the order of Registrar dated 12.9.1992 wherein he has refused to review the said order and confirmed the said order of Assistant Registrar, Trade Marks. I therefore hold that the Registrar has power to extend the time in filing evidence even though the period mentioned in Rule 52 or extended period thereof as expired event though the application for extension of time is made beyond that period. I therefore direct the Registrar that he will allow the petition for original opponents to opposition and also allow him to file necessary evidence he will allow the respondent no.1 also to file necessary documents and thereafter, he will adjudicate the opposition proceedings in accordance with the provisions of law and rules.

(K.M.MEHTA,J)

(murthy)